

## **CLIFF BEACHAM**

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### **Hella A.G. - Production Planning Manager**

#### **The situation:**

The company produced more than 1000 electrical products for the automobile manufacturing industry.

All the currently used systems were manual. Cards (rather like the old type of ledger card) were used to analyze future sales projections and orders to plan and coordinate purchasing and production. The process took four months and added to an already long lead time.

OEM products were emphasized resulting in the company barely making a profit, due to the tight margins. In order to meet its OEM commitments, the company was unable to produce for the more lucrative after-market.

The lack of coordination between Sales and Production resulted in the system being ignored and fly-by-the-seat-of-your-pants methods for dealing with over 12,000 inventory items. The result was chaos. Staff referred to the store department as the 'lost property department.'

#### **What Cliff did:**

As usual he undertook the task in a structured way. First he established what the system was and advocated that no other managers or their staff try to bypass the system. The objective was to make the system work.

**"I never knew a battle to go according to plan but I never won a battle without one."  
Eisenhauer**

This entailed taking all the unofficial caches of inventory off the production floor and restocking the warehouse. Next all the products had to have a formal BOM and not be a production manager's private product. He advocated that it is not clever to bypass the system because it comes back to bite you.

**For example:** if you need a 12mm screw you may search for, and find, 14mm screws that might do the job. However, if you use the 14mm screws then they will not be available for the job that needs that length of screw and you may not be able to substitute the shorter screw.

He implemented a production planning system using OMAC (Online Materials and Control) system by ICL.

## Lessons learned:

- When you are up to your arse in Crocodiles it's easy to forget that you are trying to drain the swamp
- If you never drain the swamp you will always be up to your arse in Crocodiles
- Be committed to the system, simplify the system and make it work for you
- Document the system to ensure continuous application
- Planning takes place from the front
- Complexity can be dealt with by using a divide and conquer strategy
- People who are the "hero of the hour" tend to sabotage the long-term system
- You should always make an exception BUT it should be done in cooperation with the control system (not by subterfuge)